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SUBJECT: THE DEPUTY SECRETARY'S MEETING WITH FORMER
HONDURAN PRESIDENT RICARDO MADURO

Classified By: Ambassador Charles Ford, reason 1.4 (B & D)

11. (C) Summary: Former President Ricardo Maduro Joest enumerated the lengthy list of problems in the country caused by President Manuel "Mel" Zelaya's poor leadership: the fiscal situation is "terrible;" institutions have been undermined; and drugs and gangs have sent crime spinning out of control. The former president looks expectantly to the United States to play a role in the turnaround of the country. Maduro also commented on the 2009 elections, saying that he hopes Roberto Micheletti will win the Liberal Party primary, as he is an easier opponent for Pepe Lobo, the National Party Candidate, to defeat. End summary.

"Very Worried"

12. (C) On June 4, 2008, former President Ricardo Maduro Joest met with the Deputy Secretary, WHA Assistant Secretary Shannon, and Ambassador Ford. The former president ran through a laundry list of complaints against the Zelaya Administration, ranging from the state of the economy to the deterioration of judicial and other public institutions. In so doing, Maduro freely admitted that he is not "usually this aggressive" but that "he is very worried", and hence feels compelled to speak. Maduro also noted that under his presidency, Honduras signed on to CAFTA, embarked on debt relief, raised GDP, reduced crime, and improved the judicial system. "All that is going to waste," he said, as Mel takes the economy "to the brink" and remains disengaged on law enforcement issues. Maduro was particularly incensed that Zelaya refused to meet with him or return his calls at the beginning of his term to fully turn over the obligations of the presidency.

Economic Situation

13. (C) As a businessman and economist, Maduro understands the fundamental problems with the Honduran economy. He reported that bankers and investors he has spoken with are canceling their projects in such an uncertain environment. Maduro sees that Zelaya's response to the international economic downturn exacerbates the situation domestically. The entire GOH budget is used on current expenditures, and Zelaya prefers to dip into reserves instead of devaluing the currency. And despite recent success in increasing energy and electricity prices towards recommended levels, because of public opposition to the hikes, he believes Zelaya will revert to further subsidies in this sector. Maduro does not think this "opportunistic" fiscal policy is sustainable, and will lead to an economic crisis.

Crime

14. (C) Crime, as always, remained Maduro's strongest talking point. He decried Honduras' inability to confront drug smuggling, stating that hundreds of millions of dollars in drugs pass through Honduras unstopped each year. Maduro said "the cost of a Presidential campaign" is a drop in the bucket in comparison to this drug money, insinuating Zelaya's relationship with narco-traffickers. He spoke of his own presidential record of combating crime through the use of the military as a police force. This action began an era in which the military has become the most trusted and respected public institution in the country. However, Zelaya has let the streets return to gangs and drug traffickers.

Help!!

15. (C) Maduro asked for assistance from the USG to counter the mistakes made by Zelaya, stating "we need all the help we can get from our friends." He suggested a suspension in aid money and the cancellation of visas and other drastic measures to get the attention of the GOH. Realizing that some assistance must come from outside the political or international arena, Maduro spoke of his efforts to encourage business and other civic leaders to provide non-political leadership to counter the current instability. All of the people he approached are "intimidated" by Zelaya's attacks, and he acknowledged that it is difficult to find credible civil leaders in this corrupt environment.

2009 Elections

16. (C) On the 2009 elections, Maduro commented that a Micheletti candidacy from the Liberal Party would be "better for us" because Micheletti is seen as the weaker candidate. He feels Micheletti has more control of the "structure" of his party than rival Vice President Elvin Santos, and therefore a better chance at the candidacy. Of his National Party's probable candidate, Pepe Lobo (press is saying Lobo has 80 per cent of the National Party vote), Maduro said little, except that Lobo hails from the same province of Honduras as Zelaya. They both represent the "wild west" of Olancho, but Lobo is a "very different type of Olancho" than reckless Zelaya.

This message was cleared by D Staff.
FORD